

## **ENGROSSED** SENATE BILL No. 598

DIGEST OF SB 598 (Updated March 28, 2005 1:02 pm - DI 109)

Citations Affected: IC 20-1; IC 20-5.5; IC 20-10.1; IC 20-20; IC 20-24; IC 20-30; IC 21-3.

**Synopsis:** Charter schools. Requires the department of education to publish in its school performance reports, in addition to ISTEP scores, any nationally recognized comprehensive assessment program data submitted by a school corporation, including a charter school. Increases the review period for applications to become a charter school. Allows a charter school to provide online and computer instruction in the same manner as other public schools. Requires the department of education to obtain federal funding for charter schools. Indicates that a charter school may use a private auditor and prepare financial reports in addition to audits and financial reports required by the state board of accounts. Provides that the law governing grants to alternative school programs applies to charter schools. Allows the common school fund interest balance to be used for charter school facility financing.

Effective: Upon passage; July 1, 2005.

### Lubbers

(HOUSE SPONSORS — BEHNING, PORTER)

January 20, 2005, read first time and referred to Committee on Education and Career February 3, 2005, read accord time, ordered engrossed.
February 8, 2005, engrossed. Read third time, passed. Yeas 33, nays 17.

HOUSE ACTION

March 8, 2005, read first time and referred to Committee on Education. March 28, 2005, amended, reported — Do Pass.



### First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

# ENGROSSED SENATE BILL No. 598

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

- SECTION 1. IC 20-1-21-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Not earlier than January 15 or later than January 31 of each year, the governing body of a school corporation shall publish an annual performance report of the school corporation, in compliance with the procedures identified in section 8 of this chapter. The report must be published one (1) time annually under IC 5-3-1.
- (b) The department shall make each school corporation's annual performance report available on the department's Internet web site. The annual performance report published on the Internet for a school corporation, including a charter school, must include any additional information submitted by the school corporation under section 7(3)(A) of this chapter. The governing body of a school corporation may make the school corporation's annual performance report available on the school corporation's Internet web site.
- (c) The governing body of a school corporation shall provide a copy of the annual performance report to any person who requests a copy.

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1	The governing body may not charge a fee for providing the copy.	
2	SECTION 2. IC 20-1-21-7 IS AMENDED TO READ AS	
3	FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. A report must	
4	contain the following:	
5	(1) The information listed in section 9 of this chapter for each of	
6	the preceding three (3) years.	
7	(2) Additional components determined under section 8(4) of this	
8	chapter.	
9	(3) Additional information or explanation that the governing body	
.0	wishes to include, including the following:	
1	(A) Results of nationally recognized assessments of	
.2	students under programs other than the ISTEP program	
.3	that a school corporation, including a charter school, uses	
.4	to determine if students are meeting or exceeding academic	
. 5	standards in grades that are tested under the ISTEP	
.6	program.	
.7	(A) (B) Results of assessments of students under programs	
. 8	other than the ISTEP program that a school corporation uses	
.9	to determine if students are meeting or exceeding academic	
20	standards in grades that are not tested under the ISTEP	
21	program.	
22	(B) (C) The number and types of staff professional	
23	development programs.	
24	(C) (D) The number and types of partnerships with the	
25	community, business, or higher education.	
26	(D) (E) Levels of parental participation.	_
27	SECTION 3. IC 20-1-21-8 IS AMENDED TO READ AS	
28	FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. The state	V
29	superintendent and the Indiana state board of education, in consultation	
0	with school corporations, educational organizations, appropriate state	
51	agencies, and other organizations and individuals having an interest in	
32	education, shall develop and periodically revise the following for the	
3	benchmarks and indicators of performance under section 9 of this	
4	chapter and the additional components of the performance report:	
55	(1) Reporting procedures, including the following:	
66	(A) A determination of the information that a school	
37	corporation must compile and the information that the	
8	department must compile.	
9	(B) A determination of the information required on a school by	
10	school basis and the information required on a school	
1	corporation basis.	
12	(C) A common format suitable for publication, including	



1	tables, graphics, and explanatory text. The common format
2	must allow the inclusion of additional information
3	described in section $7(3)(A)$ of this chapter that is
4	submitted by a school corporation, including a charter
5	school.
6	(2) Operational definitions.
7	(3) Standards for implementation.
8	(4) Additional components for the report that may be benchmarks,
9	indicators of performance, or other information.
0	SECTION 4. IC 20-5.5-3-8 IS AMENDED TO READ AS
.1	FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. A sponsor must
2	notify an organizer who submits a proposal under section 3.2 of this
3	chapter of:
4	(1) the acceptance of the proposal; or
.5	(2) the rejection of the proposal;
6	not later than sixty (60) seventy-five (75) days after the organizer
7	submits the proposal.
8	SECTION 5. IC 20-5.5-7-10 IS ADDED TO THE INDIANA CODE
9	AS A <b>NEW</b> SECTION TO READ AS FOLLOWS [EFFECTIVE
20	UPON PASSAGE]: Sec. 10. (a) The department shall carry out a
21	program to identify all federal funds for which a charter school is
22	eligible.
23	(b) The department shall apply for all federal funds that are
24	available for charter schools and for which Indiana is eligible.
25	(c) Upon receiving notice under IC 20-5.5-3-9 from a sponsor
26	that a charter has been approved, the department shall
27	immediately inform the organizer of the organizer's potential
28	eligibility for federal charter school start-up grants.
29	(d) The department shall distribute federal charter school
0	start-up grants to eligible organizers in a timely manner according
1	to the department's published guidelines for distributing the
32	grants.
3	(e) The department shall compile a biannual report and submit
34	the report to the state office of federal grants and procurement and
55	to charter school organizers and sponsors. The report submitted
66	under this subsection must contain the following information for
37	grants distributed under this section:
8	(1) Beginning and end dates for each grant cycle.
9	(2) The dates on which:
10	(A) grant applications and requests for renewal were
1	received; and



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(B) grants were awarded.

1	(3) The amount of each grant awarded.
2	SECTION 6. IC 20-5.5-7-11 IS ADDED TO THE INDIANA CODE
3	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
4	1, 2005]: Sec. 11. (a) If the United States Department of Education
5	approves a new competition for states to receive matching funds
6	for charter school facilities, the department shall pursue this
7	federal funding.
8	(b) The department shall use the common school fund interest
9	balance to provide state matching funds for the federal funding
10	described in subsection (a) for the benefit of charter schools.
11	(c) The department shall develop guidelines and the state board
12	shall adopt rules under IC 4-22-2 necessary to implement this
13	section.
14	SECTION 7. IC 20-5.5-8-2 IS AMENDED TO READ AS
15	FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A charter
16	school may not do the following:
17	(1) Operate at a site or for grades other than as specified in the
18	charter.
19	(2) Charge tuition to any student residing within the school
20	corporation's geographic boundaries. However, a charter school
21	may charge tuition for:
22	(A) a preschool program, unless charging tuition for the
23	preschool program is barred under federal law; or
24	(B) a latch key program;
25	if the charter school provides those programs.
26	(3) Except for a foreign exchange student who is not a United
27	States citizen, enroll a pupil who is not a resident of Indiana.
28	(4) Be located in a private residence.
29	(5) Provide <b>solely</b> home based instruction.
30	(b) A charter school is not prohibited from delivering
31	instructional services:
32	(1) through the Internet or another online arrangement; or
33	(2) in any manner by computer;
34	if the instructional services are provided to students enrolled in the
35	charter school in a manner that complies with any procedures
36	adopted by the department concerning online and computer
37	instruction in public schools.
38	SECTION 8. IC 20-5.5-8-7 IS ADDED TO THE INDIANA CODE
39	AS A <b>NEW</b> SECTION TO READ AS FOLLOWS [EFFECTIVE
40	UPON PASSAGE]: Sec. 7. A charter school may use any money
41	distributed by law to the charter school to prepare financial

reports and conduct audits that the charter school determines are



necessary for the conduct of the affairs of the charter school. A financial report or an audit under this section does not replace a financial report or an audit required under IC 5-11-1-9.

SECTION 9. IC 20-10.1-4.6-2.9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.9. As used in this chapter, "school corporation" includes a charter school (as defined in IC 20-5.5-1-4).

SECTION 10. IC 20-20-8-3, AS ADDED BY HEA 1288-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) Not earlier than January 15 or later than January 31 of each year, the governing body of a school corporation shall publish an annual performance report of the school corporation, in compliance with the procedures identified in section 7 of this chapter. The report must be published one (1) time annually under IC 5-3-1.

- (b) The department shall make each school corporation's report available on the department's Internet web site. The annual performance report published on the Internet for a school corporation, including a charter school, must include any additional information submitted by the school corporation under section 6(3)(A) of this chapter. The governing body of a school corporation may make the school corporation's report available on the school corporation's Internet web site.
- (c) The governing body of a school corporation shall provide a copy of the report to a person who requests a copy. The governing body may not charge a fee for providing the copy.

SECTION 11. IC 20-20-8-6, AS ADDED BY HEA 1288-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. A report must contain the following:

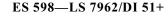
- (1) The information listed in section 8 of this chapter for each of the preceding three (3) years.
- (2) Additional components determined under section 7(4) of this chapter.
- (3) Additional information or explanation that the governing body wishes to include, including the following:
  - (A) Results of nationally recognized assessments of students under programs other than the ISTEP program that a school corporation, including a charter school, uses to determine if students are meeting or exceeding academic standards in grades that are tested under the ISTEP program.

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1	(A) (B) Results of assessments of students under programs
2	other than the ISTEP program that a school corporation uses
3	to determine if students are meeting or exceeding academic
4	standards in grades that are not tested under the ISTEP
5	program.
6	(B) (C) The number and types of staff professional
7	development programs.
8	(C) (D) The number and types of partnerships with the
9	community, business, or higher education.
10	(D) (E) Levels of parental participation.
11	SECTION 12. IC 20-20-8-7, AS ADDED BY HEA 1288-2005,
12	SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13	JULY 1, 2005]: Sec. 7. The state superintendent and the state board, in
14	consultation with school corporations, educational organizations,
15	appropriate state agencies, and other organizations and individuals
16	having an interest in education, shall develop and periodically revise
17	the following for the benchmarks and indicators of performance under
18	section 8 of this chapter and the additional components of the
19	performance report:
20	(1) Reporting procedures, including the following:
21	(A) A determination of the information that a school
22	corporation must compile and the information that the
23	department must compile.
24	(B) A determination of the information required on a school by
25	school basis and the information required on a school
26	corporation basis.
27	(C) A common format suitable for publication, including
28	tables, graphics, and explanatory text. The common format
29	must allow the inclusion of additional information
30	described in section $6(3)(A)$ of this chapter that is
31	submitted by a school corporation, including a charter
32	school.
33	(2) Operational definitions.
34	(3) Standards for implementation.
35	(4) Additional components for the report that may be benchmarks,
36	indicators of performance, or other information.
37	SECTION 13. IC 20-24-3-9, AS ADDED BY HEA 1288-2005,
38	SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39	JULY 1, 2005]: Sec. 9. A sponsor must notify an organizer that submits
40	a proposal under section 4 of this chapter of the:
41	(1) acceptance of the proposal; or
42	(2) rejection of the proposal;



1	not later than sixty (60) seventy-five (75) days after the organizer
2	submits the proposal.
3	SECTION 14. IC 20-24-7-10 IS ADDED TO THE INDIANA
4	CODE AS A <b>NEW</b> SECTION TO READ AS FOLLOWS
5	[EFFECTIVE JULY 1, 2005]: Sec. 10. (a) The department shall
6	carry out a program to identify all federal funds for which a
7	charter school is eligible.
8	(b) The department shall apply for all federal funds that are
9	available for charter schools and for which Indiana is eligible.
10	(c) Upon receiving notice under IC 20-5.5-3-9 from a sponsor
11	that a charter has been approved, the department shall
12	immediately inform the organizer of the organizer's potential
13	eligibility for federal charter school start-up grants.
14	(d) The department shall distribute federal charter school
15	start-up grants to eligible organizers in a timely manner according
16	to the department's published guidelines for distributing the
17	grants.
18	(e) The department shall compile a biannual report and submit
19	the report to the state office of federal grants and procurement and
20	to charter school organizers and sponsors. The report submitted
21	under this subsection must contain the following information for
22	grants distributed under this section:
23	(1) Beginning and end dates for each grant cycle.
24	(2) The dates on which:
25	(A) grant applications and requests for renewal were
26	received; and
27	(B) grants were awarded.
28	(3) The amount of each grant awarded.
29	SECTION 15. IC 20-24-7-11 IS ADDED TO THE INDIANA
30	CODE AS A <b>NEW</b> SECTION TO READ AS FOLLOWS
31	[EFFECTIVE JULY 1, 2005]: Sec. 11. (a) If the United States
32	Department of Education approves a new competition for states to
33	receive matching funds for charter school facilities, the department
34	shall pursue this federal funding.
35	(b) The department shall use the common school fund interest
36	balance to provide state matching funds for the federal funding
37	described in subsection (a) for the benefit of charter schools.
38	(c) The department shall develop guidelines and the state board
39	shall adopt rules under IC 4-22-2 necessary to implement this

SECTION 16. IC 20-24-8-2, AS ADDED BY HEA 1288-2005,

SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



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section.

1	JULY 1, 2005]: Sec. 2. (a) A charter school may not do the following:
2	(1) Operate at a site or for grades other than as specified in the
3	charter.
4	(2) Charge tuition to any student residing within the school
5	corporation's geographic boundaries. However, a charter school
6	may charge tuition for:
7	(A) a preschool program, unless charging tuition for the
8	preschool program is barred under federal law; or
9	(B) a latch key program;
10	if the charter school provides those programs.
11	(3) Except for a foreign exchange student who is not a United
12	States citizen, enroll a student who is not a resident of Indiana.
13	(4) Be located in a private residence.
14	(5) Provide home based instruction.
15	(b) A charter school is not prohibited from delivering
16	instructional services:
17	(1) through the Internet or another online arrangement; or
18	(2) in any manner by computer;
19	if the instructional services are provided to students enrolled in the
20	charter school in a manner that complies with any procedures
21	adopted by the department concerning online and computer
22	instruction in public schools.
23	SECTION 17. IC 20-24-8-7 IS ADDED TO THE INDIANA CODE
24	AS A <b>NEW</b> SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
25	1,2005]: Sec. 7. A charter school may use any money distributed by
26	law to the charter school to prepare financial reports and conduct
27	audits that the charter school determines are necessary for the
28	conduct of the affairs of the charter school. A financial report or
29	an audit under this section does not replace a financial report or an
30	audit required under IC 5-11-1-9.
31	SECTION 18. IC 20-30-8-4.5 IS ADDED TO THE INDIANA
32	CODE AS A <b>NEW</b> SECTION TO READ AS FOLLOWS
33	[EFFECTIVE JULY 1, 2005]: Sec. 4.5. As used in this chapter,
34	"school corporation" includes a charter school (as defined in
35	IC 20-24-1-4).
36	SECTION 19. IC 21-3-11-5, AS AMENDED BY HEA 1288-2005,
37	SECTION 177, IS AMENDED TO READ AS FOLLOWS
38	[EFFECTIVE JULY 1, 2005]: Sec. 5. As used in this chapter,
39	"qualifying school corporation" means a school corporation, including
40	a charter school (as defined in IC 20-24-1-4), that has been approved
41	under IC 20-30-8-8 to receive a grant under this chapter.

SECTION 20. An emergency is declared for this act.



### COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 598, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 3, line 25, delete "The" and insert "Upon receiving notice under IC 20-5.5-3-9 from a sponsor that a charter has been approved, the".

Page 3, line 25, delete "distribute federal charter school" and insert "immediately inform the organizer of the organizer's potential eligibility for federal charter school start-up grants.

- (d) The department shall distribute federal charter school start-up grants to eligible organizers in a timely manner according to the department's published guidelines for distributing the grants.
- (e) The department shall compile a biannual report and submit the report to the state office of federal grants and procurement and to charter school organizers and sponsors. The report submitted under this subsection must contain the following information for grants distributed under this section:
  - (1) Beginning and end dates for each grant cycle.
  - (2) The dates on which:
    - (A) grant applications and requests for renewal were received; and
    - (B) grants were awarded.
  - (3) The amount of each grant awarded.".

Page 3, delete lines 26 through 27.

Page 4, reset in roman line 1.

Page 4, line 1, after "Provide" insert "solely".

Page 4, line 5, delete "computer." and insert "computer;

if the instructional services are provided to students enrolled in the charter school in a manner that complies with any procedures adopted by the department concerning online and computer instruction in public schools.".

and when so amended that said bill do pass.

(Reference is to SB 598 as introduced.)

LUBBERS, Chairperson

Committee Vote: Yeas 7, Nays 3.

ES 598—LS 7962/DI 51+









### COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Senate Bill 598, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, between lines 1 and 2, begin a new paragraph and insert: "SECTION 6. IC 20-5.5-7-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) If the United States Department of Education approves a new competition for states to receive matching funds for charter school facilities, the department shall pursue this federal funding.

- (b) The department shall use the common school fund interest balance to provide state matching funds for the federal funding described in subsection (a) for the benefit of charter schools.
- (c) The department shall develop guidelines and the state board shall adopt rules under IC 4-22-2 necessary to implement this section."

Page 4, between lines 38 and 39, begin a new paragraph and insert: "SECTION 10. IC 20-20-8-3, AS ADDED BY HEA 1288-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) Not earlier than January 15 or later than January 31 of each year, the governing body of a school corporation shall publish an annual performance report of the school corporation, in compliance with the procedures identified in section 7 of this chapter. The report must be published one (1) time annually under IC 5-3-1.

- (b) The department shall make each school corporation's report available on the department's Internet web site. The annual performance report published on the Internet for a school corporation, including a charter school, must include any additional information submitted by the school corporation under section 6(3)(A) of this chapter. The governing body of a school corporation may make the school corporation's report available on the school corporation's Internet web site.
- (c) The governing body of a school corporation shall provide a copy of the report to a person who requests a copy. The governing body may not charge a fee for providing the copy.

SECTION 11. IC 20-20-8-6, AS ADDED BY HEA 1288-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. A report must contain the following:

(1) The information listed in section 8 of this chapter for each of











the preceding three (3) years.

- (2) Additional components determined under section 7(4) of this chapter.
- (3) Additional information or explanation that the governing body wishes to include, including the following:
  - (A) Results of nationally recognized assessments of students under programs other than the ISTEP program that a school corporation, including a charter school, uses to determine if students are meeting or exceeding academic standards in grades that are tested under the ISTEP program.
  - (A) (B) Results of assessments of students under programs other than the ISTEP program that a school corporation uses to determine if students are meeting or exceeding academic standards in grades that are not tested under the ISTEP program.
  - (B) (C) The number and types of staff professional development programs.
  - (C) (D) The number and types of partnerships with the community, business, or higher education.
  - (D) (E) Levels of parental participation.

SECTION 12. IC 20-20-8-7, AS ADDED BY HEA 1288-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. The state superintendent and the state board, in consultation with school corporations, educational organizations, appropriate state agencies, and other organizations and individuals having an interest in education, shall develop and periodically revise the following for the benchmarks and indicators of performance under section 8 of this chapter and the additional components of the performance report:

- (1) Reporting procedures, including the following:
  - (A) A determination of the information that a school corporation must compile and the information that the department must compile.
  - (B) A determination of the information required on a school by school basis and the information required on a school corporation basis.
  - (C) A common format suitable for publication, including tables, graphics, and explanatory text. The common format must allow the inclusion of additional information described in section 6(3)(A) of this chapter that is submitted by a school corporation, including a charter













#### school.

- (2) Operational definitions.
- (3) Standards for implementation.
- (4) Additional components for the report that may be benchmarks, indicators of performance, or other information.

SECTION 13. IC 20-24-3-9, AS ADDED BY HEA 1288-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. A sponsor must notify an organizer that submits a proposal under section 4 of this chapter of the:

- (1) acceptance of the proposal; or
- (2) rejection of the proposal; t later than sixty (60) seventy-five (75) days after

not later than sixty (60) seventy-five (75) days after the organizer submits the proposal.

SECTION 14. IC 20-24-7-10 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) The department shall carry out a program to identify all federal funds for which a charter school is eligible.

- (b) The department shall apply for all federal funds that are available for charter schools and for which Indiana is eligible.
- (c) Upon receiving notice under IC 20-5.5-3-9 from a sponsor that a charter has been approved, the department shall immediately inform the organizer of the organizer's potential eligibility for federal charter school start-up grants.
- (d) The department shall distribute federal charter school start-up grants to eligible organizers in a timely manner according to the department's published guidelines for distributing the grants.
- (e) The department shall compile a biannual report and submit the report to the state office of federal grants and procurement and to charter school organizers and sponsors. The report submitted under this subsection must contain the following information for grants distributed under this section:
  - (1) Beginning and end dates for each grant cycle.
  - (2) The dates on which:
    - (A) grant applications and requests for renewal were received; and
    - (B) grants were awarded.
  - (3) The amount of each grant awarded.

SECTION 15. IC 20-24-7-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 11. (a) If the United States** 

ES 598—LS 7962/DI 51+











Department of Education approves a new competition for states to receive matching funds for charter school facilities, the department shall pursue this federal funding.

- (b) The department shall use the common school fund interest balance to provide state matching funds for the federal funding described in subsection (a) for the benefit of charter schools.
- (c) The department shall develop guidelines and the state board shall adopt rules under IC 4-22-2 necessary to implement this section.

SECTION 16. IC 20-24-8-2, AS ADDED BY HEA 1288-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A charter school may not do the following:

- (1) Operate at a site or for grades other than as specified in the charter.
- (2) Charge tuition to any student residing within the school corporation's geographic boundaries. However, a charter school may charge tuition for:
  - (A) a preschool program, unless charging tuition for the preschool program is barred under federal law; or
  - (B) a latch key program;

if the charter school provides those programs.

- (3) Except for a foreign exchange student who is not a United States citizen, enroll a student who is not a resident of Indiana.
- (4) Be located in a private residence.
- (5) Provide home based instruction.
- (b) A charter school is not prohibited from delivering instructional services:
  - (1) through the Internet or another online arrangement; or
  - (2) in any manner by computer;

if the instructional services are provided to students enrolled in the charter school in a manner that complies with any procedures adopted by the department concerning online and computer instruction in public schools.

SECTION 17. IC 20-24-8-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. A charter school may use any money distributed by law to the charter school to prepare financial reports and conduct audits that the charter school determines are necessary for the conduct of the affairs of the charter school. A financial report or an audit under this section does not replace a financial report or an audit required under IC 5-11-1-9.

SECTION 18. IC 20-30-8-4.5 IS ADDED TO THE INDIANA









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CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.5. As used in this chapter, "school corporation" includes a charter school (as defined in IC 20-24-1-4).".

Page 4, delete lines 39 through 42.

Page 5, delete lines 1 through 2, begin a new paragraph and insert: "SECTION19. IC 21-3-11-5, AS AMENDED BY HEA 1288-2005, SECTION 177, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. As used in this chapter, "qualifying school corporation" means a school corporation, including a charter school (as defined in IC 20-24-1-4), that has been approved under IC 20-30-8-8 to receive a grant under this chapter.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 598 as printed February 4, 2005.)

BEHNING, Chair

Committee Vote: yeas 6, nays 4.

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